



HOME DEFERRED LOAN PROGRAM FACT SHEET

HOME DEFERRED LOAN PROGRAM-A BRIEF DESCRIPTION: The City of Tucson has allocated funds from its Federal HOME Program to fund the Home Deferred Loan Program. This project is available to lower income families owning and occupying their home within the Tucson city limits and provides financial assistance in the form of a ten year deferred forgivable loan to pay for a portion of the cost of home improvements. The deferred loan is a non-interest bearing, conditional payment loan, which requires repayment only if the property rehabilitated, is sold or title transferred within a ten-year period from the date of loan approval. The loan principal will be forgiven at the rate of 10% per year for each full year that elapses from the date of loan approval. Title transfer to a first degree family member during the ten year period does not trigger repayment. **This loan carries no interest or periodic payments.** The amount of funding that is available to an eligible applicant is 2/3 or 1/2 of the total eligible rehabilitation costs, or \$15,000, whichever is less. This is determined by household income limits.

1. **ELIGIBILITY CRITERIA:** In order to be eligible for financial assistance under the Home Deferred Loan Program, the following must be met:
- A. After rehabilitation the property must at a minimum meet all applicable local building codes, rehabilitation standards, ordinances and zoning ordinances.
 - B. The applicant must own and occupy the property to be repaired. The property must be within the Tucson City limits with no more than four dwelling units.
 - C. Real estate taxes, mortgage payments and/or assessments must be current and the property free of any delinquent liens/encumbrances.
 - D. An applicant must not be above the following Section 8 adjusted income limits, which are subject to change, for the family sizes given below:

Family Size	Income	Family Size	Income
1	\$30,800	5	\$47,500
2	\$35,200	6	\$51,050
3	\$39,600	7	\$54,550
4	\$44,000	8	\$58,100

- E. Applicant cannot have more than \$20,000 in liquid assets that will not be used to fund the rehabilitation work.
- F. Applicant must not have participated in this program during the preceding 10 years.

2. **HOME DEFERRED LOAN PROGRAM BENEFITS AND ELIGIBLE REPAIRS:** The minimum cost of the eligible total rehabilitation work to be performed is \$2,000. The minimum Home Deferred Loan amount is \$1,000, with a maximum Home Deferred Loan amount of \$15,000. The applicant must pay their portion of the total rehabilitation costs before the approved Home Deferred Loan funds are expended.

The required rehabilitation work must, at a minimum, correct all existing deficiencies in the electrical system, plumbing system, heating and cooling system and the roof structural system of the dwelling to provide housing which is decent, safe, and sanitary, meets current rehabilitation standards and any rehab work meets code, at a minimum. In addition to the required rehabilitation work, an applicant may include other essential repairs that are necessary to provide for a decent, safe, and sanitary house. Cosmetic amenities are ineligible costs, i.e. upgrading solely for cosmetic or modernizing purposes, fire places, Jacuzzi or spas.

If temporary relocation of the family is required as a result of the rehabilitation work, the relocation expenses incurred are considered an eligible cost.

All rehabilitation work shall be performed by a contractor licensed by the Arizona State Registrar of Contractors. The amount of the rehabilitation contract will be determined by a competitive bid process by obtaining at least three (3) bids from licensed contractors.

3. **SOURCES OF FINANCING:** Owners may use personal savings or obtain financing from any private or commercial lenders, including commercial banks, savings and loan associations, credit unions and other sources to pay for the **homeowner matching component** of the property repairs.
4. Assistance to meet the **required homeowner match** may be available through the Agency’s Below Market Interest Rate Loan Program.

For additional information or an application write or call:

City of Tucson - CSD/CDD
HOME DEFERRED LOAN PROGRAM
Santa Rita Bldg. - 310 N. Commerce Park Loop
P. O. Box 27210
Tucson, AZ 85726-7210
Telephone No. 791-4636

“SI DESEA QUE SE LE EXPLIQUE EN ESPAÑOL ESTE DOCUMENTO, POR FAVOR LLAME AL TELEFONO 791-4636. CUANDO LLAME, POR FAVOR INDIQUE EL TITULO Y TEMA DEL DOCUMENTO. GRACIAS.”